Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of:	)	
	)	
Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers	)	CC Docket No. 01-338
	)	
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	)	CC Docket No. 96-98
	)	
Deployment of Wireline Services Offering Advanced Telecommunications Capability	)	CC Docket No. 98-147

AFFIDAVIT OF PAUL HANSER

1. I, Paul Hanser, certify that the following is my true testimony. I am Sr. Director of Switch Engineering for Network Operations for Eschelon Telecom, Inc ("Eschelon"). Prior to joining Eschelon in 1999, I held the positions of Sr. Manager Switch Systems Engineering, Planning and Implemention for MCI Metro. I have a B.S. in Business Administration (Operations Research) from the University of Texas, Dallas. At Eschelon, I am responsible for the planning, engineering and installation of our switching and collocation facilities and for ordering interoffice transport as well as EELs.

2. Eschelon has installed and operates six voice switches and seven data switches. These switches serve ninety-nine collocations that Eschelon has built primarily in Qwest but also in Verizon central offices in Arizona, Colorado, Minnesota, Oregon, Utah, and Washington. Eschelon purchases UNE combinations from Qwest which include switching to serve customers in our markets who are not located in the wire centers in which Eschelon has its collocations. To my knowledge, there are no alternative suppliers of unbundled switching in our markets other than the ILEC.

3. Eschelon has never been approached by another CLEC to provide it with unbundled switching services to my knowledge. If Eschelon were to be asked to provide unbundled switching by another CLEC, we would not provide it. There are several reasons for this. First, offering unbundled switching on a commercial basis would require Eschelon to develop a separate business unit. It would require a substantial volume of business to justify this expense and adequate volume does not exist. Eschelon would have to invest large sums of money to adequately conduct this business in terms of taking orders, providing the service, billing for it, and providing support. For example, Eschelon receives access records for billing IXCs for long distance calls from Qwest. Eschelon's own switch does not provide these records. Eschelon would have to develop or purchase a software program to identify access records associated with the unbundled switching and provide those records to the buyer of Eschelon switching. Second, it would not be economical for any CLEC to buy switching from Eschelon. CLECs who need unbundled switching also need the local loops to connect to their customers. Eschelon buys unbundled loops from Qwest and does not own its own outside local loop plant. A CLEC would have to buy a loop from Qwest and then pay for transport to the Eschelon switch. It would be more efficient and cheaper for the CLEC to buy the loop and switching from Qwest. Qwest's ubiquitous network makes it the low cost provider of resale switching across the entire MSA.

4. It would not be cost effective for Eschelon to build an outside loop plant or transport for several reasons.[1] Eschelon serves small businesses and for the most part, our customers are not clustered together in single buildings nor are they located adjacent to each other. Eschelon would never build an "overlay" of ILEC loop plant because Eschelon does not serve all

[1] Nor would it be practical for Eschelon to construct distribution plant to serve its customers. Eschelon's small business customers want service from Eschelon when they sign the order. Laying cabling to a customer can take months because the circuit needs be engineered, rights of way access must be negotiated, contractors to do the construction must be found, etc. It would not be worth Eschelon's effort to do so unless the customer agreed to a very long-term contract. I understand that small business customers do not want very long-term contracts and that such contracts are difficult and expensive to enforce.

customers in an area. Eschelon does not know who will order service until the actual sale is made, so it would never make sense for Eschelon to build ubiquitous distribution plant that the ILECs has in place and ready for customers. But, assuming for the sake of argument that Eschelon did build outside plant, it would be prohibitively more expensive than ILEC plant. Eschelon's distribution plant would have relatively longer cable runs per access line than the ILEC loop plant because Eschelon would be required to run the cables from a customer location to its single central office switch. Eschelon's feeder plant would aggregate traffic from fewer access lines making it more costly to implement per access line. Even if it cost Eschelon the same to dig up a street to lay cable as it costs the ILEC (which it does not – see para. 5 below), the ILEC would lay larger cables and have lower unit costs than Eschelon. In addition, in each market Eschelon has a single voice switch that serves digital loop carrier (DLC) equipment that is located in ILEC central offices.

5. The relatively small numbers of small business customers that Eschelon serves only supports a single switch in each market whereas the ILEC's customer numbers justify multiple switches. The ILEC has a switch in each of those collocations where our DLC equipment is located, plus many other central offices. Eschelon's network would also have higher costs than the ILEC's network because Eschelon would have to lay new cabling simply to connect its customers to its switch. For these reasons, Eschelon would have higher costs per access line than the ILEC. Further, whereas the ILEC can augment distribution and feeder plant and take advantage of spare facilities in existing cabling and conduit, Eschelon would have to build everything from scratch.[2] The ILEC will always be able to build facilities to serve new locations in its existing wire centers less expensively than Eschelon. Eschelon could never compete with

[2] In theory, if Eschelon could connect its facility to the ILEC network, Eschelon could use parts of the ILEC's distribution and feeder plant and lower its costs. However, Eschelon does not have cost-effective access to the ILEC's engineering records so as to determine how to run the circuit to the Eschelon switch.

the ILEC in building outside plant on an efficient economic cost basis for these pure engineering reasons. But, there are other reasons Eschelon's costs would be higher as well.

6. The scale of the ILEC's outside plant construction means that the ILEC can keep contractors busy building ILEC facilities full time. Eschelon's construction demands would be much smaller. This allows the ILEC to negotiate lower rates than Eschelon would pay. Volume purchases also allow the ILEC to negotiate lower unit prices for cabling and other materials than Eschelon could obtain.

7. Plant construction also requires internal resources from the CLEC such as engineering support, project managers, contract administrators, and real estate agents to locate and negotiate rights-of-way. Eschelon would not undertake the volume of construction necessary to justify having these internal resources. If Eschelon nonetheless assembled these internal resources, they would not operate as efficiently as the ILEC's existing staff because the ILEC's staff would be well ahead on the learning curve. The ILEC has well-established methods and procedures that the CLEC would have to develop. Building outside plant would increase the time to turn-up a customer on our network.

8. Eschelon does not prescribe to a build-out policy of "build it and they will come". Our philosophy is very conservative, build only when the economics justify it. Not knowing where our customer locations are until the sale, Eschelon could not build out local loops to customer locations within the short time period that customers are willing to wait for service.

9. In sum, the ILEC can construct local outside plant far more economically than Eschelon because of its ability to build incrementally rather than deploy all at once; because it can aggregate traffic; because it builds to serve all customers in an area rather than a subset; because it enjoys volume discounts with contractors and for materials; and because it has been in the network construction business for decades and has the internal resources and engineering records to build efficiently. Unless a company set out to overbuild the ILEC network, which no

company is attempting to do in Eschelon's markets, no one else could hope to match the ILEC's costs. CLECs that construct outside plant do so either to serve high volume customers or in some cases, they do an overbuild of a community. Eschelon does not do either of these. Eschelon would likely go out of business if we were required to build our own outside plant because we could not do so cost effectively.

10. I understand that the FCC considers EELs to be a substitute for access to ILEC switching on an unbundled basis. I disagree with this for several reasons. First, as an economic matter, EELs are uneconomic because they involve the purchase of transport the CLEC would otherwise not have to purchase. Second, as a legal matter, Qwest contends that it does not have to provide EELs that would carry data traffic, even if that data traffic does not generate access revenues. Small business customers use DSL and other data services and this restriction makes EELs less useful to Eschelon.

FURTHER AFFIANT SAYETH NOT. Dated this 4th day of April, 2002.

/s/ Paul Hanser
Paul Hanser

Subscribed and sworn to before me
this 4th day of April, 2002.

/s/ Tobe L. Goldberg
Notary Public
My Commission Expires: January 31, 2005